

Analysis and Research on the Development Model and Strategy of Cross-Border e-Commerce

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ABSTRACT. In recent years, the Internet has been more widely applied, the logistics system has been continuously improved, and what's more, with the support of relevant policies, the fast emerging cross-border import e-commerce has brought certain opportunities for the transformation of traditional retail business. The new cross-border e-commerce development models include three types: general import model, bonded cross-border model and overseas direct mail model. Different models have unique advantages and can provide more possibilities for the development of cross-border e-commerce. However, in fact, cross-border e-commerce is also faced with various difficulties, such as ill-suited logistics model, weak brand competitiveness, insufficient enterprises recognition, low application of payment system, which badly contains the development of cross-border e-commerce. Therefore, in the new era, the government should give more support for cross-border e-commerce to ensure the implementation of various policies, promote the transformation of enterprises and realize the integration of online and offline platforms. In the meantime, they should also strengthen the cooperative relationship with colleges and universities, introduce a group of high-quality talents, provide strong support for the development of cross-border e-commerce, and get more opportunities in the new era.

KEYWORDS: Cross-border e-commerce, Development model, Development strategy

1. Introduction

Cross-border e-commerce means that through e-commerce platforms, commercial entities in different borders can make transactions and deliver goods through cross-border logistics, and this is a kind of international trade. In the Internet age, there are more opportunities and challenges for cross-border e-commerce, and also, there are certain impacts on the traditional business model. The cross-border e-commerce industry has risen rapidly, and leading companies have also continuous to emerge. Now, cross-border e-commerce is facing a better development prospect. The government has also given some support to improve related supporting facilities. On the basis of traditional foreign trade, the cross-border e-commerce keeps developing and attracts more companies to get involved.

2. The Current Development of Cross-Border e-Commerce

2.1 Big Market

According to relevant surveys, in recent years, the total volume of cross-border e-commerce transactions has been on the rise, and the market keeps expanding. The main reason is the considerable price difference between overseas brands at home and abroad, and it will exist for a long time. Second, the demand for personalized products, most consumers of cross-border e-commerce are young people, and they prefer diversity and individuation. This huge market size has attracted more and more cross-border e-commerce companies, which has expanded the cross-border e-commerce industry, and can also provide consumers with diversified and comprehensive transaction services, thereby attracting more network traffic.

2.2 Improved Relevant Policies

The government has provided some support for the cross-border e-commerce industry to promote the fast development of this industry in the new era. In 2013, the State Council introduced relevant policies to grant preferential treatment to overseas shopping. In 2014, cross-border e-commerce was legalized, moreover, the government also formulated more detailed rules and standards for the development of this industry, and clarified the supervision and regulations of cross-border goods. Later, the legality of cross-border e-commerce has been further guaranteed, and the

operation experience of each pilot project has been summarized, thus providing an important basis for the development of the cross-border e-commerce industry. In addition, with the support of the “one Belt and one Road Initiative”, the cross-border e-commerce industry has developed rapidly, opened up new markets, and strengthened trade ties with other countries.

2.3 Supporting Facilities

The traditional form of foreign trade has laid a solid foundation for cross-border e-commerce, and the state has also issued relevant policies to offer support. Most regions have superior locations and good development conditions. Besides, local logistics industry is very mature, some logistics parks already have multiple functions such as logistics processing, international procurement, and entrepot trade, which shortens the time and costs of logistics transportation and provides more complete supporting facilities for the development of cross-border e-commerce.

3. Development Model of Cross-Border e-Commerce

3.1 General Import Model

The general import model refers to a form in which traditional e-commerce platforms carry out offline trade activities for imported goods. They mainly purchase goods in bulk from overseas brands, and then apply for customs inspection, pay customs duties, value-added tax, etc., and then commodities will be stored in the domestic warehouses. After consumers place orders on the platform, the cross-border e-commerce platforms distribute the commodities and then commodities will be delivered from domestic warehouses to the consumers. Based on the traditional e-commerce model, the general import model has a solid development foundation. The basic processes are mature, but due to complex circulation links, the costs are higher. Moreover, some brands are vulnerable to domestic importers, which hinder the rapid development of cross-border e-commerce.

3.2 Bonded Cross-Border Model

The bonded cross-border model is mainly dominated by the government. According to the real demands and specific conditions of the domestic market, goods are purchased directly from overseas brand direct stores, and then will be stored in the bonded warehouses. After consumers place orders, the e-commerce platform will pick up the goods from the warehouses in the bonded area to declare and pay relevant taxes, and then a third-party logistics company will make the delivery. This model realizes the simplified integration of consumption order, payment order, and express delivery order, which is convenient for data verification. The main advantage of this model is the direct delivery from bonded warehouses, with few circulation links and short delivery time. Reserving goods in bonded warehouses is conducive to customs supervision. Moreover, in this pattern, foreign investment attracting is conducted overseas, and the varieties of commodities are very rich and immune to the restrictions of related brands. The tax paid under the bonded cross-border model is the postal tax, which is low compared with the tax of the general import model.

3.3 Overseas Direct Mail Model

The overseas direct mail model refers to direct mail from overseas to China. Now Taobao and Tmall adopt this pattern for overseas trade. According to the orders of consumers, the e-commerce platforms purchases goods from overseas c-commerce platforms and goods will be sent to their overseas warehouses. When consumers place orders on this e-commerce platform, goods will be sent directly to consumers from overseas. Since goods are directly delivered from overseas, there will be suspect for smuggling, therefore, relevant departments should strengthen supervision and regulate the market to avoid illegal and criminal activities. Overseas direct mail will cause long delivery time, even more than half a month to get to the customers, and will make it more difficult to return and exchange goods. However, this model adopts postal package for import transportation, so the tax costs are low.

4. Measures to Optimize the Development of Cross-Border e-Commerce

4.1 Governments Should Pay More Attention and Give More Support

The development of cross-border e-commerce is inseparable from the government’s support. In the first few years, the government attached great importance to cross-border e-commerce and formulated relevant policies to promote the

development of the cross-border e-commerce industry. However, by analyzing some current policies, it can be found that there still exist some defects. Some policies are not fully implemented and cannot provide strong guarantees for the development of the cross-border e-commerce industry. Therefore, in the new era, the government should give more support, improve various policies, and do a good job in supervision to ensure the efficient implementation of various policies in the development of the cross-border e-commerce industry. First, the government needs to categorize the various regulations according to the three different models of cross-border e-commerce, and eliminate the differences between the different models. For companies that have just entered the cross-border e-commerce industry, professional training should be provided to guide them in finding their own development direction. Secondly, concerning logistics system, the government should also pay enough attention to analyze whether the logistics capacity can meet the needs of cross-border e-commerce in pilot zones. Thirdly, put more efforts in facilities construction, build a logistics system with the theme of logistics supply chain, provide efficient, low-cost and flexible logistics services, and promote the rapid development of logistics enterprises. And government should encourage logistics enterprises to merge, collect individual logistics systems into clusters of logistics industries, and do a good job in the layout of logistics industry, so as to provide guarantee for the development of cross-border e-commerce.

4.2 Facilitate Enterprise Transformation for Online and Offline Integration

Some companies that have entered into the cross-border e-commerce industry have not achieved satisfactory results. Because the traditional business model prefers the traditional foreign trade model, it is not compatible with the three models of cross-border e-commerce. In the new era, companies are facing a more complex market environment, especially in the cross-border e-commerce industry, a large amount of international trade are involved, so the traditional economic models are no longer applicable. Enterprises should update their operation philosophy, accelerate enterprise transformation, introduce some new business models, learn from multiple cross-border e-commerce models like B2B and B2C, establish overseas logistics warehouses, and store goods directly in the warehouses, reducing the circulation links, costs and risks, and also provide consumers with more efficient and comprehensive services. In operation, enterprises should recognize the features and advantages of online and offline business models, set up different trading platforms according to different consumers, and make online and offline integration, so as to reach different types of potential customers.

4.3 Strengthen Cooperation with Universities and Introduce Professional Talents

For the development of cross-border e-commerce, talents are very important. Enterprises should strengthen the cooperative relationship with universities, cultivate professional talents through school-enterprise cooperation, and introduce talents of different majors according to actual needs. Build a stronger team of talents and continuously inject vitality into the team. Besides, relevant colleges and universities can open courses related to cross-border e-commerce. In the cooperation, universities should fully consider the requirements of various positions in the enterprises to formulate a more complete talent training model, improve the efficiency of talent training, and provide comprehensive high-quality talents for enterprises, so as to promote the rapid development of the cross-border e-commerce industry.

5. Conclusion

All in all, in the new era, if the cross-border e-commerce industry wants to achieve sustainable development, the government should pay more attention, give more support, grant more chances for enterprises, promote enterprises to make active transformation and build online and offline trading platforms, and strengthen the cooperative relationship with universities, introduce high-quality talents so as to lay a solid foundation for the rapid development of the cross-border e-commerce industry.

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